

Press Release

Oriental Engineering Works Private Limited

April 11, 2023



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	24.33	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	5.00	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	29.33	-	-

Rating Rationale

Acuite has downgraded its long-term rating from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) to '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating from '**ACUITE A3**' (read as **ACUITE A three**) to '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.29.33 Cr. bank facilities of Oriental Engineering Works Private Limited. This rating is now an indicative rating and is based on best available information. Rating has been downgraded on account of information risk.

About the Company

Haryana-based Oriental Engineering Works Private Limited (OEWPL) was incorporated in 1933 as Karma Engineers in Lahore – India (undivided). Currently, the company is promoted by Mr. Raman Saluja, Mr. Satish Chandra Saluja, Mr. Gayatri Saluja, Ms. Divya Khanna, Ms. Sunita Saluja, and Ms. Samira Saluja. OEWPL is into the manufacturing of hydraulic jacks, cylinders, pumps, power packs among others for the construction and mining industries via the manufacturing facilities located in Yamuna Nagar (Haryana).

Non-cooperation by the issuer/borrower

Acuite has been requesting for Banker details, Latest No Default Statement operational data and updated YTD data from the rated entity. However, the issuer / borrower failed to submit such information before due date. Acuite believes that information risk is a critical component in such ratings, and non - cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Limitation regarding information availability

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

Material Covenants

None

Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

Outlook

Not Applicable.

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 22 (Actual)	FY 21 (Actual)
Operating Income	Rs. Cr.	54.07	53.28
PAT	Rs. Cr.	3.48	2.56
PAT Margin	(%)	6.43	4.81
Total Debt/Tangible Net Worth	Times	0.43	0.38
PBDIT/Interest	Times	6.98	8.12

Status of non-cooperation with previous CRA

None

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
24 Jan 2022	Standby Line of Credit	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Working Capital Term Loan	Long Term	1.29	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.80	ACUITE BBB- (Withdrawn)
	Bank Guarantee	Short Term	4.50	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	1.50	ACUITE BBB- Stable (Assigned)

	Cash Credit	Long Term	9.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	0.94	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.70	ACUITE BBB- (Withdrawn)
	Proposed Term Loan	Long Term	11.60	ACUITE BBB- Stable (Reaffirmed)
03 Jan 2020	Term Loan	Long Term	0.70	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Cash Credit	Long Term	5.50	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Bank Guarantee	Short Term	5.37	ACUITE A3 (Upgraded from ACUITE A4+)
	Letter of Credit	Short Term	4.95	ACUITE A3 (Upgraded from ACUITE A4+)
	Proposed Term Loan	Long Term	2.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	0.80	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Proposed Working Capital Demand Loan	Long Term	5.71	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Standby Line of Credit	Short Term	0.50	ACUITE A3 (Upgraded from ACUITE A4+)
	Bank Guarantee	Short Term	3.80	ACUITE A3 (Upgraded from ACUITE A4+)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	4.50	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	9.00	ACUITE BB+ Downgraded Issuer not co-operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	11.60	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE A4+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	29 Jun 2021	7.65	30 Jun 2025	Simple	1.50	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Term Loan	10 Sep 2018	11.45	30 Apr 2026	Simple	0.94	ACUITE BB+ Downgraded Issuer not co-operating*
State Bank of India	Not Applicable	Working Capital Term Loan	29 Jun 2021	7.40	30 Jun 2025	Simple	1.29	ACUITE BB+ Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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